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ABSTRACT

This document summarizes the type or amount of assistance and eligibility and application procedures of major federal student assistance programs administered by the Office of Education. The programs discussed include: the basic educational opportunity grant program; the supplemental educational opportunity grants; direct loans to students in institutions of higher education (formerly the NDEA student loan program); guaranteed student loans; the work-study program; the work-study for the community service learning program; and service for disadvantaged students, including Talent Search and Upward Bound. (MJM)

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**MAJOR FEDERAL STUDENT ASSISTANCE
PROGRAMS ADMINISTERED BY THE
OFFICE OF EDUCATION, 1974**

**(As provided by the Education Amendments of 1972,
as amended)**

**PREPARED FOR THE
SUBCOMMITTEE ON EDUCATION
OF THE
COMMITTEE ON LABOR AND
PUBLIC WELFARE
UNITED STATES SENATE**



JUNE 1974

**U.S. DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
EDUCATION**

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(II)

FOREWORD

As chairman of the Senate Committee on Labor and Public Welfare, I am most pleased that the Subcommittee on Education has taken the initiative and, working with the Library of Congress, prepared and updated what I feel will be a most useful publication. This Senate document will assist our Nation's youth in attempting to further their education through the use of current Federal assistance programs.

The crucial problem of financing education in the undergraduate and graduate area is of concern to every American and this publication will provide an opportunity for many to explore the avenues existing in the governmental area.

HARRISON A. WILLIAMS,
Chairman, Committee on Labor and Public Welfare.

(iii)

INTRODUCTION

This document, initially prepared and periodically updated at my suggestion by the Library of Congress, is now going into its third printing. It is noteworthy in that it simply and concisely discusses the various aids to postsecondary education established and funded by the Federal Government, thus being of great assistance to those who wish to utilize those Federal programs. Needless to say, the amount of funds available depends on funds appropriated by Congress.

Students should also investigate other publications which can be found in local libraries and discuss in depth various means of student assistance with their student financial aid officer, if in college, or guidance counselor, if still in high school.

My thanks go to the Library of Congress for their fine work and assistance in preparing this document.

CLAIBORNE PELL,
Chairman, Subcommittee on Education.

(v)

CONTENTS

	Page
Foreword	III
Introduction	V
Major Federal student assistance programs administered by the Office of Education:	
Basic education opportunity grant program.....	1
Type or amount of assistance.....	1
Eligibility and application procedures.....	1
Supplemental educational opportunity grants.....	1
Type or amount of assistance.....	1
Eligibility and application procedures.....	1
Direct loans to students in institutions of higher education (formerly the NDEA student loan program).....	2
Type or amount of assistance.....	2
Eligibility and application procedures.....	2
Guaranteed student loans.....	3
Type or amount of assistance.....	3
Eligibility and application procedures.....	3
Work-study program.....	3
Type or amount of assistance.....	3
Eligibility and application procedures.....	4
Work-study for community service learning program.....	4
Type or amount of assistance.....	4
Eligibility and application procedures.....	4
Talent Search, Upward Bound, and Special Services for Disadvantaged Students	4
Type or amount of assistance.....	4
Eligibility and application procedures.....	5

(VII)

Major Federal Student Assistance Programs Administered by the Office of Education

(As provided by the Education Amendments of 1972, as amended)

BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM

TYPE OR AMOUNT OF ASSISTANCE

Basic scholarship grants of \$1,400 (less the expected family contribution and not exceeding one-half of the cost of attending the institution at which the student is enrolled) are available to qualified students.

ELIGIBILITY AND APPLICATION PROCEDURES

A student must be accepted for enrollment in, or enrolled and in good standing at an institution of post-secondary education on the undergraduate level. For the 1974-75 year, new basic educational opportunity grants will be awarded to full-time first and second-year students.

Application forms may be obtained from high school guidance counselors and student financial aid officers in institutions of postsecondary education. During the summer months applications will be available at public libraries or by writing to BEOG, P.O. Box 84, Washington, D.C. 20044. For further information contact the Division of Basic Grants, Office of Student Assistance, Bureau of Postsecondary Education, Office of Education, Washington, D.C. 20202.

SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS

TYPE OR AMOUNT OF ASSISTANCE

Grants of up to \$1,500 (or one-half of the sum of the total amount of student financial aid provided the student by the institution, whichever is less) are available to qualified students.

Grants range from \$200 to \$1,500 a year and may be awarded for each of four years to a total of \$4,000. If the course of study requires the extra time, the SEOG may be awarded for five years to a total of \$5,000.

ELIGIBILITY AND APPLICATION PROCEDURES

The institution selects recipients of supplemental grants in accordance with students' financial need and students must be enrolled in good standing, or accepted for enrollment, and devoting at least half-time to a program of undergraduate studies. An eligible student must be of exceptional financial need and without supplemental grants

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would not be financially able to attend an institution of postsecondary education.

A student is considered to be of exceptional financial need if the amount the family or spouse can reasonably be expected to contribute plus his or her own resources (including savings, earnings, loans other than unsubsidized Guaranteed Loans, and other assets) do not exceed one-half the cost of education.

For further information contact the Office of Student Assistance, Division of Basic Grants, Bureau of Postsecondary Education, Office of Education, Washington, D.C. 20202.

DIRECT LOANS TO STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION (FORMERLY THE NDEA STUDENT LOAN PROGRAM)

TYPE OR AMOUNT OF ASSISTANCE

Total aggregate loans of up to \$2,500 may be made to students in their first two years of college, \$5,000 for students who have completed their first two years of undergraduate study, and \$10,000 for graduate or professional students (the \$10,000 total includes undergraduate loans).

Loans can be made from the fund to students with financial need enrolled or accepted for enrollment at the institution and carrying at least one-half the normal academic workload. The student applies annually to the institution for a direct loan. The loan can be repaid over a 10-year period beginning 9 months after termination of at least half-time study. Loan repayment can be deferred in certain cases for up to 3 years.

Loans may be canceled for service as a full-time teacher in a low-income area school or as a full-time teacher of handicapped children in a public or nonprofit elementary or secondary school at the rate of 15 percent for the first or second year of such service, 20 percent for the third or fourth year of such service, and 30 percent for the fifth year of such service. Loans may be canceled at the rate of 15 percent for each year of service as a full-time staff member in a preschool program carried on under section 222(a) (1) of the Economic Opportunity Act of 1964. Up to 50 percent of a loan may be canceled at the rate of 12½ percent for each year of qualifying service as a member of the Armed Forces of the United States (section 310 of title 37, United States Code).

ELIGIBILITY AND APPLICATION PROCEDURES

To be eligible, students must be in need of a loan to pursue a course of study, must be capable of maintaining good standing, and be carrying at least one-half the full-time academic workload at the graduate or undergraduate level. Application is made to a participating institution which selects the recipients and determines the amount of each direct loan.

Any requests for additional information can be directed to the individual institution or to the Office of Student Assistance, Division of

Work-Study and Special Programs, U.S. Office of Education, Washington, D.C. 20202.

GUARANTEED STUDENT LOANS

TYPE OR AMOUNT OF ASSISTANCE

Loans may be obtained from participating lenders for educational expenses including tuition, fees, room and board, in amounts up to \$2,500 a year depending upon the State (the aggregate amount not to exceed \$7,500 for undergraduate study, and \$10,000 for professional and graduate study). The loan is to be repaid after graduation or leaving school, in installments over a 5 to 10 year period after a 9 to 12 month grace period.

Periodic installments of principal need not be paid, but interest shall accrue and be paid, during any period in which the borrower is pursuing a full-time course of study at an eligible institution, or for up to three years during which the borrower is a member of the U.S. Armed Forces, a volunteer in the Peace Corps, or a volunteer in Vista. These periods of service shall not be included in determining the 10 to 15 year repayment period.

Each student who has received a loan for study at an eligible institution is entitled to have paid on his behalf to the holder of the loan a portion of the interest of the loan if (1) his adjusted family income is less than \$15,000 (if the total amount of the loan desired during the academic year is \$2,000 or less, no needs analysis is required) or (2) the student's adjusted family income is equal to or more than \$15,000 and the eligible institution has determined that the student is in need of such a loan to attend the institution and has determined the amount of such need and recommended a loan in that amount.

ELIGIBILITY AND APPLICATION PROCEDURES

Applicants must be accepted for enrollment at an approved institution of postsecondary education, and be a U.S. citizen or permanent resident. The student prepares an application, has his school certify enrollment, and submits the form to a participating lender for approval of the loan. The loan is guaranteed against default by the Federal Government, or a State, or private agency. For further information contact the Deputy Commissioner for Management, Office of Management, Office of Education, Washington, D.C. 20202.

WORK-STUDY PROGRAM

TYPE OR AMOUNT OF ASSISTANCE

Work-study provides part-time on and off campus employment to students enrolled on at least a half-time basis in institutions of postsecondary education, area vocational schools and proprietary schools. If selected the student receives earnings limited to his need, and may also receive a non-federal loan under the Guaranteed Loan Program

as well as a Direct Loan or a supplemental educational opportunity grant (SEOG). Jobs are limited to 40 hours per week during regular *vacation* periods and 15 hours per week during the *academic* year. Students can earn at least the current minimum wage and frequently more.

ELIGIBILITY AND APPLICATION PROCEDURES

Students must be citizens of the U.S. or maintain permanent residence, be capable of maintaining good standing while employed, and have been accepted for enrollment or be enrolled as a full-time undergraduate, graduate or professional students. The students must have financial need and could not otherwise attend a postsecondary institution, with consideration given for the actual cost of attendance at an institution.

Applications are submitted to the institution of postsecondary education or for further information contact the Office of Student Assistance, Division of Work-Study and Special Programs, Bureau of Postsecondary Education, Office of Education, Washington, D.C. 20202.

WORK-STUDY FOR COMMUNITY SERVICE LEARNING PROGRAM

TYPE OR AMOUNT OF ASSISTANCE

Part-time employment in projects designed to improve community services or solve particular community problems is available with preferences given to veterans, in need of additional financial assistance, who served in Indochina or Korea after August 5, 1964. Subjects considered to be included in the field of community service might include: environmental quality, health care, education, welfare, public safety, crime prevention and control, transportation, housing and neighborhood improvement, rural development, conservation, beautification, and other fields of community improvement.

ELIGIBILITY AND APPLICATION PROCEDURES

Preference must be given in the choice of students to receive aid to veterans who served in the Armed Forces in Indochina or Korea after August 5, 1964. Students must be citizens of the U.S.

Applications must be submitted to the individual institution. For further information contact the Division of Work-Study and Special Programs, Office of Student Assistance, Bureau of Postsecondary Education, Office of Education, Washington, D.C. 20202.

TALENT SEARCH, UPWARD BOUND, AND SPECIAL SERVICES FOR DISADVANTAGED STUDENTS

TYPE OR AMOUNT OF ASSISTANCE

Talent Search identifies qualified youths of financial or cultural need with potential for postsecondary training and encourages them to complete secondary school and to undertake postsecondary educational training. It publicizes existing forms of student aid.

Upward Bound motivates success in education beyond high school by enrolling students from low-income backgrounds and with inadequate secondary school preparation to participate on a full-time basis during all or part of the program.

Special Services for Disadvantaged provides remedial and other services for students with potential who due to deprivation educationally, culturally, or economically, are in need of such services to initiate or continue postsecondary education.

Tutoring and other academic services in summer and academic year followup programs are available for potential college students from low-income families. During the summer programs students receive room and board and may receive stipends during both summer and academic year programs. Programs are operated by institutions of postsecondary education and in some cases by high schools.

ELIGIBILITY AND APPLICATION PROCEDURES

Grants are not made to individuals but to institutions, agencies, and in some cases to nonprofit organizations. For further information contact individual institutions or the Division of Work-Study and Special Programs, Office of Student Assistance, Bureau of Postsecondary Education, Office of Education, Washington, D.C. 20202.

